

**STRATEGIC OBJECTIVE GRANT AGREEMENT No. 674-0329**

**BETWEEN THE**

**UNITED STATES OF AMERICA**

**AND THE**

**REPUBLIC OF SOUTH AFRICA**

**FOR**

**INCREASED USE OF HIV/AIDS AND OTHER PRIMARY HEALTH CARE SERVICES**

**USAID / SOUTH AFRICA**  
Program and Project Development Office  
Date Received / signed

**21 SEP 2005**

FISCAL DATA: See

ATTACHED

Project No.: 674-0329  
Agreement No.: 674-0329  
Appropriation:  
Budget Plan Code:  
RCN:

*8m/ps*  
**FUNDS AVAILABLE**

Amount to be obligated through this Agreement FY 2005

**U.S. \$36,472,814**

### **Fiscal Data**

1.     Appropriation: 723/51095  
       Budget Plan Code: GCD3-05-21674-3G13  
       RCN: B500061  
       Amount: \$ 878,471
  
2.     Appropriation: 725/61095  
       Budget Plan Code: GCD5-05-21674-BG13  
       RCN: B500062  
       Amount: \$ 1,328,000
  
3.     Appropriation: 725/61095  
       Budget Plan Code: GCD5-05-21674-KG13  
       RCN: B500063  
       Amount: \$ 3,400,000
  
4.     Appropriation: 72-19X1030  
       Budget Plan Code: GGAX-05-21674-1G13  
       RCN: B500064  
       Amount: \$ 30,866,343

Strategic Objective Grant Agreement No. 674-0329  
*Increased Use of HIV/AIDS and Other Primary Health Care Services*

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## STRATEGIC OBJECTIVE GRANT AGREEMENT

Between

The United States of America,  
acting through  
the United States Agency for International Development ("USAID")  
and

The Republic of South Africa  
(hereinafter the "RSA" or the "Grantee")

**WHEREAS**, the Parties wish to amend and restate the "Equity in Integrated Primary Health Care Project" ("EQUITY") Grant Agreement and all subsequent amendments in their entirety in order to change that agreement from an agreement of the Parties to finance the Project with a defined goal and purpose to a Strategic Objective Grant Agreement ("SOAG") whereby the Parties agree to finance selected activities with a specific strategic objective and results to be achieved, and to provide an additional increment of Thirty Six Million Four Hundred Seventy Two Thousand Eight Hundred Fourteen United States Dollars (U.S. \$36,472,814) for a total USAID contribution to date of One Hundred Thirty Nine Million Six Hundred Twenty Nine Thousand Two Hundred Forty Nine United States Dollars (U.S. \$139,629,249) to achieve that objective and those results.

### Article 1: Purpose and Relationship to Prior Agreements.

Section 1.1. Purpose. The purpose of this Strategic Objective Grant Agreement ("Agreement") is to set out the understanding of the parties named above (the "Parties") concerning the Strategic Objective described below.

Section 1.2. Prior Agreement. This Agreement is intended to amend and restate in its entirety the following Project Grant Agreement and subsequent amendments between USAID and the RSA that have been established in order to achieve the Strategic Objective described below (the "Prior Agreement"):

- (a) USAID Project Grant Agreement No. 674-0320.00, dated September 28, 1995, entitled the "Equity in Integrated Primary Health Care Project", as heretofore amended.

The prior Agreement and all Implementation Letters ("ILs"), formerly known as Project Implementation Letters or PILs, issued hereunder, are amended, combined, subsumed and replaced in their entireties by this new Strategic Objective Grant Agreement ("SOAG"). Further, unless otherwise specified herein or otherwise changed pursuant to a new IL issued under this agreement, all funds earmarked and committed under such prior Agreement and amendments shall remain earmarked and committed for the activities and purposes previously authorized.

Article 2: Strategic Objective and Results.

Section 2.1. Strategic Objective. The Strategic Objective ("Objective") is "Increased Use of HIV/AIDS and Other Primary Health Care Services."

Section 2.2. Results. In order to achieve that Objective, the Parties agree to work together to achieve the following Results:

- Strengthening selected primary health care services;
- Expanding TB control activities;
- Supporting South Africa's HIV/AIDS prevention, treatment and care programs; and,
- Strengthening activities for orphans and vulnerable children.

Within the limits of the definition of the Objective in Section 2.1, this Section 2.2 may be changed by written agreement of the authorized representatives of the Parties without formal amendment to the Agreement.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objective and Results. Within the limits of the above, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Article 3. Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, and the South African Democratic Transition Support Act of 1993, being Acts of the United States of America, hereby grants to the Grantee under the terms of the Agreement an additional increment of Thirty Six Million Four Hundred Seventy Two Thousand Eight Hundred Fourteen United States Dollars (U.S. \$36,472,814) for a total amount not to exceed One Hundred Thirty Nine Million Six Hundred Twenty Nine Thousand Two Hundred Forty Nine United States Dollars (U.S. \$139,629,249) ("the Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be One Hundred Seventy Eight Million One Hundred Eleven Thousand Seven Hundred Fifty Five United States Dollars (U.S. \$178,111,755) which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

(c) In addition to the amounts obligated herein, USAID intends to separately provide Forty One Million Five Hundred Ninety Nine Thousand Two Hundred Seventy One United States Dollars (U.S. \$41,599,271) for HIV/AIDS activities in fiscal year (FY) 2005, as part of the United States Government's pledge of support to the RSA's operational plan for Comprehensive HIV and AIDS Care and Treatment. These funds are

provided through the United States President's Emergency's Plan for AIDS Relief (Emergency Plan) and will be implemented through existing USAID grants and contracts with a variety of service providers and cooperating agencies.

(d) In addition to the amounts obligated herein, USAID intends to separately provide Six Hundred Thousand United States Dollars (U.S. \$600,000) for primary health care activities in FY 2005, as part of the United States Government's pledge of support to the RSA's health program. These funds will be implemented through existing USAID grants and contracts with a variety of service providers and cooperating agencies.

(e) If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective or Results or carrying out the activities set forth herein during the current or next United States fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b).

#### Section 3.2. Grantee Contribution.

(a) The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor identified in Annex 1, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Results.

(b) The Grantee's contribution, based on USAID's contribution in Section 3.1(a), will not be less than the equivalent of Forty Six Million Five Hundred Forty Three Thousand Eighty Three United States Dollars (U.S. \$46,543,083) including "in-kind" contributions. The Grantee's Total Estimated Planned Contribution to the Objective will not be less than the equivalent of Fifty Nine Million Three Hundred Seventy Thousand Five Hundred Eighty Five United States Dollars (U.S. \$59,370,585).

Please note also that USAID and the Department of Health (DOH) have already documented counterpart contributions by the DOH totaling Six Hundred Sixty Five Million One Hundred Nineteen Thousand One Hundred Thirty United States Dollars (U.S. \$665,119,130), i.e., more than the amount Forty Six Million Five Hundred Forty Three Thousand Eighty Three United States Dollars (U.S. \$46,543,083) required through FY 2005 and more than the total required over the life of the agreement, i.e., through FY 2007.

(c) The Grantee's contribution including "in-kind" contributions is subject to availability of funds to the Grantee for this purpose, the mutual agreement of the Parties, at the time of each subsequent increment, to proceed, and USAID providing the total estimated amount in Section 3.1(b). The Grantee will report at least annually in a format to be agreed upon with USAID on its cash and "in-kind" contributions.

Article 4: Completion Date.

- (a) The Completion Date, which is September 30, 2007, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.
- (b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Miscellaneous.

Section 5.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, telefax or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the United States Agency for International Development (USAID):

Mail Address

P.O. Box 43  
Groenkloof X5  
Pretoria 0027

Courier/Physical Address

100 Totius Street  
Groenkloof X5  
Pretoria 0027

To the Department of Health:

Mail Address

Private Bag X828  
Pretoria 0001

Courier/Physical Address

Old House of Trade Building  
226 Prinsloo Street  
Pretoria 0001

All such communications will be in English, unless the Parties otherwise agree in writing.

Other addresses may be substituted for the above upon the giving of notice.

Section 5.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Director General of Health, and USAID will be represented by the individual holding or acting in the Office of either the Mission Director, Deputy Mission Director, or Health Strategic Objective Team Leader of USAID/South Africa; each of whom, by written notice, may designate additional representatives. The Parties hereby note that the name(s) of the representative(s) of the Grantee, with specimen signature(s), already have been provided to USAID under the prior agreement. Each Party agrees that the other Party may accept as duly authorized any instrument signed by such representative(s) in implementation of this Agreement, until receipt of written notice of revocation of their authority.

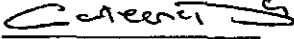
Section 5.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

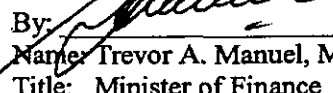
Section 5.4. Legal Agreement. The Parties agree that this Agreement has been duly authorized and/or ratified by and executed on behalf of the Parties and that it constitutes a valid and legally binding obligation of the Parties in accordance with all of its terms.

IN WITNESS WHEREOF, the United States of America and the Grantee, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

REPUBLIC OF SOUTH AFRICA

By:   
Name: Carleene Dei  
Title: Mission Director  
United States Agency for  
International Development

By:   
Name: Trevor A. Manuel, MP  
Title: Minister of Finance